

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

WILLARD L. SLOAN, EUGENE J.
WINNINGHAM, and JAMES L. KELLEY,
on behalf of themselves and a similarly
situated class,

Plaintiffs,

Case No. 09-cv-10918
Hon. Paul D. Borman
Magistrate Mona K. Majzoub

v.

Class Action

BORGWARNER, INC., BORGWARNER
FLEXIBLE BENEFITS PLANS and
BORGWARNER DIVERSIFIED
TRANSMISSION PRODUCTS, INC.,

Defendants.

EXHIBIT 14

TO

**PLAINTIFFS' MOTION
FOR SUMMARY JUDGMENT
AS TO LIABILITY**



UAW LOCAL 287

TENTATIVE AGREEMENT OF THE 2005 NEGOTIATIONS

TENTATIVE AGREEMENT REACHED APRIL 8, 2005

- **FOUR YEAR AGREEMENT**

- **TRANSFER CASE BUSINESS COMMITMENT**

New:	Current and New:	Current:
- GM 361/371 (TRAILBLAZER & ENVOY)	- NAVIGATOR - EXPEDITION - F150 - HARLEY - EXPLORER - SAVANNAH VAN - EXPRESS VAN	- GM H3 - GM H2 - GM 800 - SSANGYONG - RANGER

- **GRACE PERIOD TO RETIRE WITH CURRENT BENEFITS**

- If you are eligible to retire now through May 1, 2006, you can leave with the benefits under the 2000 contract.

- **FLUME SYSTEM MAINTENANCE PROGRAM**

- Contract language to ensure proper maintenance and cleaning of the flume systems to ensure a safe environment for employees including proper training, cleaning, and employee involvement.

- **GROUP LEADERS**

- Production Group Leader positions will be created and paid \$0.70 per hour more. Jobs posted in the group. Selected based on test, interview, seniority, attendance, and discipline record. Interview team includes hourly reps. Score stays on file for one year.

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- **OWNER OPERATOR DUTIES**

- New Language: "The Company has expressed the need to utilize the owner operator concept more efficiently. It is agreed that the owner operator occupation may perform work performed by Non-production D & E within the department when faced with an adverse effect on production. Further, it is not the intent of the Company to utilize the owner operator occupation to perform these functions on a full time basis."

- **DISABILITY PLACEMENTS**

- New Language: "During the 2005 discussions the Company expressed great concern with the administration of this section of the agreement. Both parties agreed that the Company currently has the ability to manage this issue more diligently to insure that the language is not misused. Ultimately the Company is committed to abide by the rights of all employees under the Americans with Disabilities Act, and to make reasonable efforts to accommodate disabled or restricted employees. However, the Company is under no obligation to create jobs or to artificially inflate the employment levels of the plant to accommodate such employees. While the language below does not change, the Company is committed to administering the language to its original intent."

- **ECONOMICS**

- Seniority Employees: Wage rates frozen at current level including COLA. Current COLA balance of \$0.08 will roll into your wages 3/1/06. Retiree balance frozen at \$0.37 and paid each year.
- New hire wages (pay increases @ \$0.50 increments every 12 months):
Production: start at \$15 increasing to \$17
Non-Production: start at \$13 increasing to \$15
Skilled Trades: start at \$20.46 increasing to \$22.46 (can still earn \$1.50 above top rate)
- Year End Bonus and Profit Sharing Bonus: removed but may be replaced with a Gainsharing plan. Union has input on replacement plan measurables. Year End Bonus earnings accrued up to date of ratification to be paid no later than July 2005.
- Retention Bonus: up to \$5,000 for staying up to age 65. Those currently over \$5,000 keep what they have earned. Those that leave early don't get 50%.
- Overtime:
 - Time and one-half for hours worked over 40 in a week.
 - Holidays, Vacation, Bereavement, Temporary Layoff, Vendor Shortage/Quality Issue, Acts of Nature, Jury Duty, Pallbearer, Short Term Military Duty, and Union Business are all non-worked hours that will count toward getting your 40 hours.
 - Sundays and Holidays remain at double time.

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- **INSURANCE/BENEFITS:**
 - ACTIVE EMPLOYEES & FUTURE RETIREES** (currently active and retire during the term of the new labor agreement)
 - **RETAIN CURRENT BENEFIT LEVELS FOR:**
 - LIFE INSURANCE (AD&D)
 - RETIREE LIFE INSURANCE
 - DEPENDENT LIFE INSURANCE
 - TRANSITION & BRIDGE BENEFITS
 - EXTENDED DISABILITY BENEFITS
 - DENTAL
 - VISION
 - CANCER POLICY
 - PENSION
 - RETIREE/SURVIVOR BONUS
 - 401K (RSP) PLAN
 - LOCAL 287 RSP PLAN
 - Etc.
 - **A&S (sick leave) BENEFITS**
 - \$355 per week for 33 weeks
 - TPD applicants up to 52 weeks
 - Those currently on leave not affected
 - **INSURANCE FOR LAYOFFS (SUB)**
 - Same coverage/eligibility for up to 6 months
 - Those currently laid off not affected
 - **Medicare Part D:** New language added to protect current level of prescription benefits for current and future retirees.

○ HEALTH INSURANCE - Three plan options

available effective 7/1/05 (benefit level summary attached)

- **PPO: Cigna Nationwide Network (Contribution lower for retirees)**
- **HMO: M-Plan (active only)**
- **HRA: Health Reimbursement Account (no weekly contribution with this option)**

The Company must keep 3 health care options, the same or equivalent to these.

HRA is a new kind of insurance plan that loads the deductible up front, shared by the Company and the Employee. For single coverage, the company pays the first \$500 single/\$1000 family spent, the employee pays the second \$1000 single/\$2000 family spent and any \$ spent beyond that falls into a 80/20 plan up to a \$3000 single/\$6000 family out of pocket max (company \$ spent counts toward total OOP), then coverage is 100%. There is a separate fund of \$250 per family member for preventive care. If you don't use all of the \$500/\$1000 company portion it rolls over into next year's \$ to use.

There will be an open enrollment period and information meetings to explain each plan and give everyone time to pick which one is best for them. If you do not choose a plan you will default into the PPO plan.

Your current PPO deductible balance will be applied to the new PPO so you don't have to start over. In the family coverage of the PPO, individuals can meet a single deductible.

Most every doctor in the Cardinal PPO is already in the Cigna PPO.

If your in-network doctor is not in the Cigna PPO you will be given until 1/1/06 to find one without penalty and you can complete treatment of your current illness at in-network rates.

The Cardinal PPO will be maintained for current retirees.

Laid off employees don't switch plans until recalled.

Other than the highlighted changes, the details and provisions of the Health Insurance Agreement (the "Plan") will govern all coverages or exclusion provisions.

○ **PRESCRIPTIONS – BW Family Pharmacy or Express Script** (benefit level summary attached)

- 3 tier program: Generic, Brand Name (Formulary), and Non-Select Brand Name (Non-Formulary)
- Co-pay levels encourage using generic and the pharmacy
- Co-pay levels for retirees fixed and not subject to the 10% increases in the agreement
- Medically Necessary (DAW) Non-Formulary drugs covered at Formulary rate. If coverage is disputed, you can appeal it.

Annual plan increases (up to 10%) are based on prior experience and industry trends. The annual major medical increase of up to 10% can affect stop loss or deductible but cannot be more than a maximum of 10% total out of pocket.

The total out of pocket includes stop loss, deductible, and contribution.

The underlying plan will not be changed from the agreed to 80/20 plan.

Employee contributions are frozen for the duration of the agreement.

If the script is less than the co-pay the employee pays the lesser amount.

Year One (07/01/05 through 12/31/06)

	PPO	HMO	HRA	
	In Network	Out of Network	In Network	Out of Network
DEDUCTIBLES				
Individual	\$400	\$600	None	\$1,500
Family	\$800	\$1,000	None	\$3,000
STOP LOSS				
Individual	\$1,500	\$3,000	None	\$1,500
Family	\$3,000	\$6,000	None	\$3,000
CONTRIBUTION-monthly-applies to total out of pocket				
Individual	\$30		\$ 175.00	\$ -
Family	\$75 for Active; \$50 for Retiree		\$ 245.00	\$ -
PRESCRIPTION SERVICES (applies to PPO/HMO/HRA)	Express Scripts	BorgWarner Family Pharmacy		
Generic	\$15	\$12		
First Brand				
Formulary	\$30	\$20		
Non-select Brand				
Non-Formulary	\$40	\$30		
Order/90-Day	Generic - \$30 Formulary - \$60 Non-Formulary - \$80	Generic - \$24 Formulary - \$40 Non-Formulary - \$60		

Year Two (1/1/07 through 12/31/07)

	PPO	HMO	HRA	
	In Network	Out of Network	In Network	Out of Network
DEDUCTIBLES - can increase up to 10%*				
Individual	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year
Family	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year
STOP LOSS - can increase up to 10%*				
Individual	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year
Family	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year
CONTRIBUTION - monthly-applies to total out of pocket-not subject to 10% increase				
Individual	\$30		\$ 175.00	\$ -
Family	\$75 for Active; \$50 for Retiree		\$ 245.00	\$ -
Max Out of Pocket Increase cannot be more than 10%				
PRESCRIPTION SERVICES (applies to PPO/HMO/HRA)	Express Scripts	BorgWarner Family Pharmacy		
Generic	\$20	\$15		
First Brand				
Formulary	\$45	\$35		
Non-select Brand				
Non-Formulary	\$60	\$50		
Order/90-Day	Generic - \$40 Formulary - \$90 Non-Formulary - \$120	Generic - \$30 Formulary - \$70 Non-Formulary - \$100		

The combination of increase in deductible and stop loss cannot be more than 10%

Table Three (1/1/08 through 12/31/08)

	PPO		HMO	HRA	
	In Network	Out of Network		In Network	Out of Network
DEDUCTIBLES - can increase up to 10%*					
Individual	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year	+ up to 10% from previous year
Family	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year	+ up to 10% from previous year
STOP LOSS - can increase up to 10%*					
Individual	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year	+ up to 10% from previous year
Family	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year	+ up to 10% from previous year
CONTRIBUTION - monthly-applies to total out of pocket-not subject to 10% Increase					
Individual	\$30		\$ 175.00	\$ -	\$ -
Family	\$75 for Active; \$50 for Retiree		\$ 245.00	\$ -	\$ -
Total Out of Pocket Increase cannot be more than 10%					
DESCRIPTION OF SERVICES (applies PPO/HMO/HRA)	Express Scripts	BorgWarner Family Pharmacy			
Generic*	+ up to 10% from previous year	+ up to 10% from previous year			
First Brand					
Formulary*	+ up to 10% from previous year	+ up to 10% from previous year			
Non-select Brand					
Other*	+ up to 10% from previous year	+ up to 10% from previous year			
90-Day					
	+ up to 10% from previous year	+ up to 10% from previous year			

Total Co-pay increase cannot be more than 10%

combination of increase in deductible and stop loss cannot be more than 10%

Table Four (1/1/09 through 4/1/09)

	PPO		HMO	HRA	
	In Network	Out of Network		In Network	Out of Network
DEDUCTIBLES - can increase up to 10%*					
Individual	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year	+ up to 10% from previous year
Family	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year	+ up to 10% from previous year
STOP LOSS - can increase up to 10%*					
Individual	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year	+ up to 10% from previous year
Family	+ up to 10% from previous year	+ up to 10% from previous year	None	+ up to 10% from previous year	+ up to 10% from previous year
CONTRIBUTION - monthly-applies to total out of pocket-not subject to 10% increase					
Individual	\$30		\$ 175.00	\$ -	\$ -
Family	\$75 for Active; \$50 for Retiree		\$ 245.00	\$ -	\$ -
Total Out of Pocket Increase cannot be more than 10%					
DESCRIPTION OF SERVICES (applies PPO/HMO/HRA)	Express Scripts	BorgWarner Family Pharmacy			
Generic*	+ up to 10% from previous year	+ up to 10% from previous year			
First Brand					
Formulary*	+ up to 10% from previous year	+ up to 10% from previous year			
Non-select Brand					
Other*	+ up to 10% from previous year	+ up to 10% from previous year			
90-Day	+ up to 10% from previous year	+ up to 10% from previous year			

Total Co-pay increase cannot be more than 10%

combination of increase in deductible and stop loss cannot be more than 10%

Levels of Coverage for All Plan Options for term of the Agreement

VICE PROVIDED	PPO		HMO	HRA	
	In Network - CIGNA	Out of Network	M-Plan	In Network - CIGNA	Out of Network
Patient Services	80% -- no deductible	70% -- no deductible	100%	80% after deductible	70% after deductible
Diagnostic X-ray/Lab	80% -- no deductible	70% -- no deductible	100%	80% after deductible	70% after deductible
Patient Surgery	80% -- no deductible	70% -- no deductible	100%	80% after deductible	70% after deductible
Primary Care Physician - Office Visit	80% after deductible	70% after deductible	\$10 Co-pay	80% after deductible	70% after deductible
Preventive Care -> Test Mammogram State Exam Immunizations or Physician - Office Visit	80% no deductible	70% after deductible	\$10 Co-pay	100% up to \$250 per person per year (no roll over)	Not Covered
Patient: Mental Health Services	80% after deductible: 20 visits per year and; 40 visits per lifetime.	70% after deductible: 20 visits per year and; 40 visits per lifetime.	\$10 per visit (Max of 60 combined in/out patient days/visits per year)	80% after deductible: 20 visits per year and; 40 visits per lifetime.	70% after deductible: 20 visits per year and; 40 visits per lifetime.
Patient: Mental Health Services	80% no deductible: 30 visits per year and; 60 visits per lifetime.	70% no deductible: 30 visits per year and; 60 visits per lifetime.	100% (Max of 60 combined in/out patient days/visits per year)	80% after deductible: 30 visits per year and; 60 visits per lifetime.	70% after deductible: 30 visits per year and; 60 visits per lifetime.
Patient: Substance Abuse Services	Included in Mental Health Services	Included in Mental Health Services	\$25 per visit for individual sessions; \$15 per visit for group sessions (Max of 40 visits per year)	Included in Mental Health Services	Included in Mental Health Services
Patient: Substance Abuse Services	Included in Mental Health Services	Included in Mental Health Services	100% (Max of 20 inpatient days per year)	Included in Mental Health Services	Included in Mental Health Services
Emergency Accident Services	80% after deductible	80% after deductible if emergency; 70% if non emergency	\$25 Co-pay per visit -- waived if admitted	80% after deductible	80% after deductible if emergency; 70% if non emergency
Chiropractic and Chiropractic	80% after deductible; Chiropractor limited to \$500 per plan year	70% after deductible; Chiropractor limited to \$500 per plan year	Podiatry ONLY -- If medically necessary	80% after deductible; Chiropractor limited to \$500 per plan year	70% after deductible; Chiropractor limited to \$500 per plan year
Nursing and Skilled Nursing	80% after deductible	70% after deductible	100% in semi-private rooms for up to 60 days per year.	80% after deductible	70% after deductible
Medical Equipment and Prosthetic Devices	80% after deductible	70% after deductible	100% -- HMO has the authority to determine where purchased	80% after deductible	70% after deductible
Ambulance	80% after deductible	70% after deductible	20% co-pay for cost of ambulance	80% after deductible	70% after deductible
Physical & Occupational Therapy	80% after deductible	70% after deductible	\$10 Co-pay	80% after deductible	70% after deductible
Home Health Care	80% -- no deductible	70% -- no deductible	100% - Limited to 60 days per year	80% after deductible	70% after deductible
Emergency Treatments	80% after deductible - treatment; 80% -- no deductible - testing	70% after deductible - treatment; 70% -- no deductible - testing	\$10 per visit for testing and treatment \$5 per visit for serum	80% after deductible	70% after deductible
Medicate/Urgent Care Services	80% after deductible	70% after deductible	\$10 Co-pay	80% after deductible	70% after deductible

DTP012995

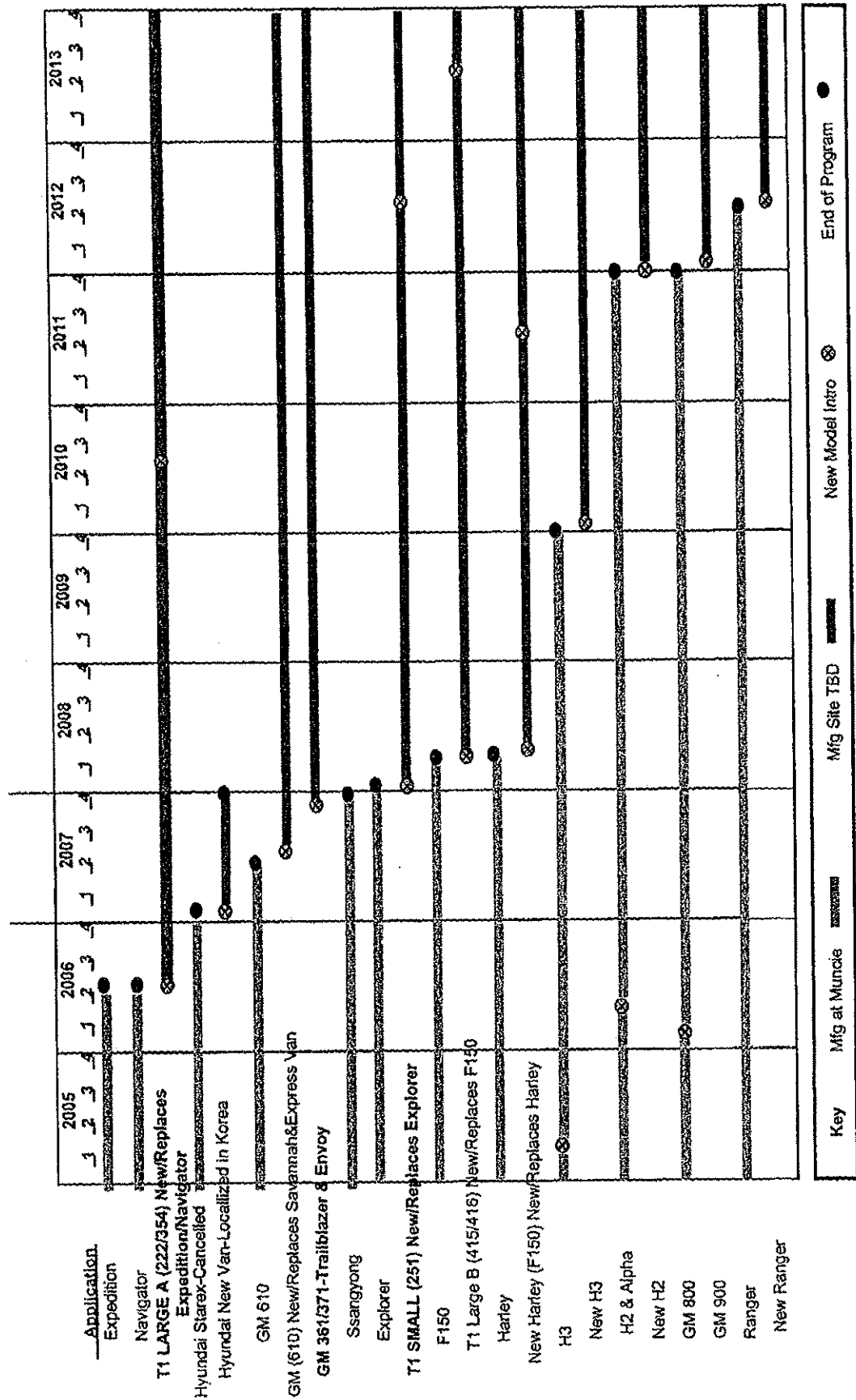
NEW BUSINESS INTRODUCTIONS

<u>APPLICATION</u>	<u>CURRENT PLATFORM #</u>	<u>NEW PLATFORM #</u>	<u>CURRENT PART #</u>	<u>NEW PART #</u>	<u>VOLUME*</u>
Expedition	222	222	4416	4416	105,600
Navigator	228	354	4416	4416	for both
Hyundai Starex	A1		4402	discontinued	3,000
Hyundai Van	A1		4402	local to Korea	for both
Savannah & Express Vans	610	610	4473	4473	18,000
Trailblazer & Envoy		361/371		4495/4496	247,000
SsangYong Musso/Korando	Family		4408	discontinued	70,000
Explorer	152	251	4411	4412	237,000
F150	221	415/416	4406	441*	377,000
Harley (F150)	221	415/416	4406	441*	3,000
Hummer	H2	H2	4484	4484	25,000
Baby Hummer	H3	H3	4493/4494	4493/4494	105,000
Escalade (GM 800)	800		4481	discontinued	100,000
Escalade (GM 900)		900	4481	4485	100,000
Ranger	150		1354	outside timeline	58,300

*To clarify, the program volumes listed are as of the date of this letter and can be changed, lowered or raised, at the discretion of the customer.

DTP012996

New Business Introductions...



DTP012997

BWA Muncie Plant

ID:7652866172

APR 12 '05 12:34 No.004 P.02

BorgWarner
Diversified
Transmission
Products
Inc.

Muncie
Plant

5401
Kings
Avenue

Muncie
Indiana
47304

Telephone
765 286 6100
Fax
765 286 6435

April 12, 2005



BorgWarner

Jeff Fallis
Chairman, Negotiating Committee
UAW, Local 287

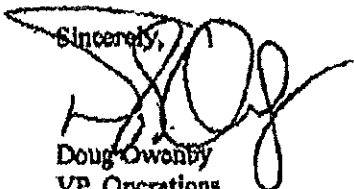
Dear Jeff:

Contingent upon agreement to terms for a new labor agreement, recommended by the Negotiating Committee, ratified by the bargaining unit and International UAW, and approved by the Company, the Company makes the following commitment:


1. The commitment outlined herein is for the duration of the new labor agreement and subject to the terms of that agreement.
2. Investments will be made to the Muncie Plant for the assembly of new and assembly/component manufacturing of continuing transfer cases related to the following projects (see attached charts):
 - GM purchase order for GMT361/371 dated September 9, 2004;
 - GM 610 replacement platform;
 - Ford purchase letter for Ford 222/354 dated January 5, 2005;
 - Ford target letter for Ford P415/416 dated January 28, 2005; and
 - Ford 251 replacement platform (project award pending pricing issue resolution)

Based on the programs listed above the total volume of the platforms, regardless of volume changes, will be placed in Muncie. This will be placed and remain in Muncie as long as it goes in the vehicle (ex: change in part number, P.O. date, or design will not pull the program out of Muncie). If produced by BorgWarner, the above will be produced by the Muncie Plant.

Sincerely,


Doug Owenby
VP, Operations
Muncie, DTP

Agreed,


Cynthia Niekamp
President
Muncie, DTP

DTP012998